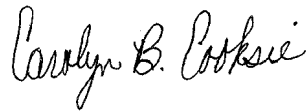


**For:** State and County Offices

**Compliance Reviews for Minor Program Loans**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Overview**

**A Background**

According to Title VI of the Civil Rights Act of 1964, FSA is required to conduct a compliance review of all Minor Program borrowers to determine whether a borrower has directly, or through contractual or other arrangement, subjected any person or caused any person to be subjected to discrimination on the basis of race, color, or national origin.

Minor Program loans consist of the following loan types:

- Irrigation and Drainage
- Grazing Associations
- Non-Farm Enterprise
- Individual Recreation loans.

**B Purpose**

This notice provides guidance for:

- the timing and frequency of compliance reviews
- Agency employees authorized to perform compliance reviews
- the methods for reporting the results of compliance reviews.

**C Contact**

For further information about this notice, contact Mel Thompson, LSPMD, at 202-720-7862.

| Disposal Date    | Distribution   |
|------------------|--|
| December 1, 2004 | State Offices; State Offices relay to County Offices |

## 2 Action

### A Timing and Frequency of Reviews

Farm Loan Chiefs will monitor all reviews for SED to ensure Agency compliance.  
Compliance reviews:

- will be conducted according to RD Instruction 1901-E, Section 1901.204
- must be completed each third year until the loan is paid in full or otherwise satisfied
- will be completed no later than October 31 of the year in which the review is due.

### B Compliance Review Officers

Compliance reviews may be completed by:

- Farm Loan Manager for Non-Farm Enterprise and Individual Recreation loans.
- DD or other State Designated Compliance Review Officer for Irrigation and Drainage and Grazing Association loans.

### C Method of Recording the Results of Compliance Reviews

Compliance reviews will be recorded as follows.

- Compliance Reviews for Irrigation and Drainage and Grazing Association loans will be completed using RD 400-8.
- The results of Compliance Reviews for Non-Farm Enterprise and Individual Recreation loans will be documented in the case file running record with a copy to DD.
- When all reviews in the district are completed, DD will send a copy of all reviews to SED.

SED will forward a compilation of all reviews to the following address **no later than November 30, 2003:**

USDA FSA DAFLP LSPMD  
STOP 0523  
1400 INDEPENDENCE AVE SW  
WASHINGTON DC 20250-0523.